

# EXHIBIT 148

**In the Matter of:**

CFPB v. Navient Corporation, et al.

*June 8, 2018*  
*Patricia Peterson*

**Condensed Transcript with Word Index**



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1	3
1 IN THE UNITED STATES DISTRICT COURT	1 MIKE KILGARRIFF, ESQ.
2 FOR THE MIDDLE DISTRICT OF PENNSYLVANIA	2 Kirkland & Ellis LLP
3	3 665 Fifteenth Street, NW
4 CONSUMER FINANCIAL PROTECTION )	4 Washington, DC 20005
5 BUREAU, )	5 (202) 879-5149
6 Plaintiff, ) Case No.	6 mike.kilgarrieff@kirkland.com
7 vs. ) 3:17-CV-00101-RDM	7 and
8 NAVIENT CORPORATION, et al., )	8 MATTHEW SHELDON, ESQ.
9 Defendants. )	9 Navient Solutions LLC
10 -----)	10 2001 Edmund Halley Drive
11	11 Reston, Virginia 20191
12 Friday, June 8, 2018	12 (703) 984-6732
13	13 matthew.sheldon@navient.com
14 Consumer Financial Protection Bureau	14
15 1990 K Street, NW	15 ALSO PRESENT:
16 Washington, DC	16 April Carter, Video Specialist
17	17
18	18
19 The above-entitled matter came on for	19
20 investigational hearing, pursuant to notice, at	20
21 9:40 a.m.	21
22	22
23	23
24	24
25	25
2	4
1 APPEARANCES:	1 I N D E X
2	2 DEPOSITION OF PATRICIA PETERSON
3 ON BEHALF OF THE CONSUMER FINANCIAL PROTECTION BUREAU:	3 JUNE 19, 2018
4 NICHOLAS JABBOUR, ESQ.	4
5 ANDREA MATTHEWS, ESQ.	5 EXAMINATION PAGE
6 Consumer Financial Protection Bureau	6 By Mr. Jabbour 6
7 1990 K Street, NW	7
8 Washington, DC 20006	8 EXHIBITS MARKED PAGE
9 (202) 435-7591	9 Number 1 7
10 nicholas.jabbour@cfpb.gov	10 Number 2 7
11 andrea.matthews@cfpb.gov	11 Number 3 22
12	12 Number 4 27
13 ON BEHALF OF NAVIENT AND THE WITNESS:	13 Number 5 75
14 JONATHAN E. PAIKIN, ESQ.	14 Number 6 85
15 KARIN DRYHURST, ESQ.	15 Number 7 96
16 DANIEL KEARNEY, ESQ.	16 Number 8 104
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22 karin.dryhurst@wilmerhale.com	22 Number 14 180
23 daniel.kearney@wilmerhale.com	23
24 and	24
25	25

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1 reviewed this letter?

2 A. I know they received a copy of the letter, but I  
3 don't know if there was an affirmative approval or  
4 denial that was required. They don't typically require  
5 us to get their approval before putting a letter in, but  
6 we did share with them a copy of the letter.

7 **Q. How do you know that a copy was shared with the**  
8 **department?**

9 A. Based on the prep we saw some correspondence  
10 that was sent to them. I could be -- I know they've  
11 seen some of our letters. This H356 may not have been  
12 one of them, but I know there are some letters they have  
13 seen. I don't recall if H356 was one.

14 **Q. And when you're referring to some letters that**  
15 **they have seen, are you referring to some**  
16 **recertification letters in particular, regardless of**  
17 **whether it's the H356 letter, or just letters generally?**

18 A. Letters generally. In the course of my prep, I  
19 recall seeing a letter that they -- that was sent to  
20 them. I don't recall which letter it was.

21 (Peterson Exhibit Number 7 was marked for  
22 identification.)

23 BY MR. JABBOUR:

24 **Q. Ms. Peterson, you've been handed what's been**  
25 **marked as Exhibit 7, and this is a slide from a**

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1 presentation given by Navient Solutions to the Bureau  
2 and others, that I believe you may have been at, in  
3 Chicago at some point. And you can take however long  
4 you need to review it.

5 A. I'm fine.

6 **Q. Do you recognize the -- both of the documents**  
7 **that are depicted on this slide?**

8 A. Yes, I've seen them before.

9 **Q. And these are images of emails that borrowers**  
10 **received at different points in time concerning the**  
11 **needs to recertify their enrollment in income-driven**  
12 **repayment. Is that right?**

13 A. Yeah, these are the -- the wrapper, the  
14 correspondence that they would see, and these are at --  
15 like you said, two different points in time.

16 **Q. And when you refer to the wrapper, what does**  
17 **that mean?**

18 A. It actually is the letter that goes into the  
19 customer's inbox, into their email address itself.

20 **Q. And then to access the -- a separate letter,**  
21 **they have to click something in that email. Is that**  
22 **right?**

23 A. To see the full -- the rest of the  
24 communication, which in a lot of cases it's the same as  
25 what's in the wrapper, they would go into what we call

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1 the media server to pick up the full correspondence.

2 **Q. The media server, is that something that's**  
3 **accessed through the MYL portal?**

4 A. They can get to it from there, yes.

5 **Q. Is there another way to access it?**

6 A. Well, it's technically it's a separate -- they  
7 can -- they have to log in, like they're going into it,  
8 but it's technically a separate application from MYL.

9 **Q. Okay. So it requires a login, but they're just**  
10 **not actually accessing the document on the MYL portal?**

11 A. Technically speaking, yes.

12 **Q. Okay. Do email wrappers go through the same**  
13 **drafting and approval process as letters that are sent**  
14 **through the mail?**

15 A. Yes.

16 **Q. Is there a communication event document for**  
17 **emails, similar to what is on Exhibit 6?**

18 A. It's a -- this wrapper is a part of a letter.  
19 So there is -- they go together. When we say we're  
20 going to change a letter, we're either going to create a  
21 specific wrapper like what's on the right, or we're  
22 going to use a general wrapper like what's on the left.  
23 And that decision and that is documented through this  
24 same communication event.

25 **Q. Does the communication event indicate both --**

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1 does it contain both the email wrapper and whatever  
2 documents are linked from the email wrapper in a single  
3 communication event, or would there be two communication  
4 events, one for the email wrapper and one for any letter  
5 that's linked from the email wrapper?

6 A. I'm not sure if it's two events or if it's just  
7 one.

8 **Q. And you used the word "specific" versus**  
9 **"general" wrapper. Are those terms that the company**  
10 **uses?**

11 A. I am not sure how the correspondence team calls  
12 them, but the one on the left is the general or generic,  
13 it's a -- it is not specific to a -- tied to a specific  
14 letter, versus the one on the right is only used for a  
15 specific letter, in this case the renewal letter -- or  
16 one of the renewal letters.

17 **Q. So the general or generic wrapper -- when you**  
18 **say it's not tied to a specific letter, that means that**  
19 **there's no description in the wrapper as to what it**  
20 **concerns?**

21 MR. PAIKIN: Object to form.

22 THE WITNESS: It means that the customer needs  
23 to get the specific information from the media server to  
24 get the actual content. We're giving them information  
25 that says, you have correspondence available, log in to

<p style="text-align: right;">181</p> <p>1 borrower has been in repayment when you come up with the</p> <p>2 solution, make sure the borrower understands that they</p> <p>3 are going to have to make monthly payments, make sure</p> <p>4 that they understand that then, you know, in the case of</p> <p>5 income-driven repayment, they're going to have to</p> <p>6 qualify year over year.</p> <p>7 So it's guiding the conversation. So I think</p> <p>8 that's consistent with how I would describe it and we as</p> <p>9 a company describe it.</p> <p>10 (Peterson Exhibit Number 14 was marked for</p> <p>11 identification.)</p> <p>12 BY MR. JABBOUR:</p> <p>13 <b>Q. You've been handed what has been marked as</b></p> <p>14 <b>Exhibit 14 with the Bates number NAVAG-0077778. Let me</b></p> <p>15 <b>know when you're ready to discuss the document.</b></p> <p>16 A. I'm ready.</p> <p>17 <b>Q. Do you know where this document came from?</b></p> <p>18 A. I don't know specifically this version, I know</p> <p>19 that this is a document that is a part of KS and used</p> <p>20 by -- used to explain the options for a CRS agent to</p> <p>21 talk through, and this is -- we have something in CRS</p> <p>22 called a pop pad that is actually what's used to guide</p> <p>23 the CRS agent through the right repayment option for the</p> <p>24 customer, and this is just a visual depiction at the</p> <p>25 very highest level of what that pop pad is doing.</p>	<p style="text-align: right;">183</p> <p>1 This is a visual depiction of what at the very highest</p> <p>2 level could happen depending on how the customer answers</p> <p>3 the questions. So this is, you know, where the customer</p> <p>4 option that would show up, depending on how they answer</p> <p>5 the questions. And these are not all of the questions</p> <p>6 that are answered -- asked within the pop pad, these are</p> <p>7 just very broad questions.</p> <p>8 <b>Q. Okay. So I want to make sure I understand it</b></p> <p>9 <b>correctly. If the answer to the initial question, the</b></p> <p>10 <b>start question, is no, that the borrower cannot bring</b></p> <p>11 <b>the account current with a check, credit or debit, the</b></p> <p>12 <b>next question is can the borrower make a lower monthly</b></p> <p>13 <b>payment. And if the answer to that question is no, then</b></p> <p>14 <b>there are two options.</b></p> <p>15 <b>If the borrower cannot make a payment today but</b></p> <p>16 <b>can resume their next scheduled payment, voluntary</b></p> <p>17 <b>forbearance should be implemented. Let's say that's not</b></p> <p>18 <b>the case. Let's say the borrower cannot resume their</b></p> <p>19 <b>next scheduled payment. So we go to the right.</b></p> <p>20 <b>Am I okay so far, or have I described anything</b></p> <p>21 <b>incorrectly?</b></p> <p>22 MR. PAIKIN: Are you describing the chart or are</p> <p>23 you describing a process, just to be clear? Because the</p> <p>24 document speaks for itself. If that's what you're --</p> <p>25 just to clarify your question.</p>
<p style="text-align: right;">182</p> <p>1 <b>Q. When you say pop pad, that's P O T?</b></p> <p>2 A. P O P. Or power pad or pop pad, I think it's</p> <p>3 referenced both ways.</p> <p>4 <b>Q. You referenced that this tool is used in CRS, so</b></p> <p>5 <b>it's used primarily for delinquent customers?</b></p> <p>6 A. Yes.</p> <p>7 <b>Q. Okay, I was hoping you could help me understand</b></p> <p>8 <b>parts of this tool. Is this a tool that's still used</b></p> <p>9 <b>today?</b></p> <p>10 A. The pop pad? Yes.</p> <p>11 <b>Q. Did you say this was part of the pop pad, or --</b></p> <p>12 A. So to give you a visual depiction of what the</p> <p>13 pop pad is. So the pop pad is an interactive tool that</p> <p>14 our CRS agents interact with when they're talking to the</p> <p>15 customer. So it gets its name pop, because it pops the</p> <p>16 series of questions depending on the customer's</p> <p>17 situation, and the answers that they give us. So it</p> <p>18 guides them down to what the specific options that would</p> <p>19 fit their condition would be.</p> <p>20 And again, this particular document is not what</p> <p>21 the CRS agents are referencing, they're using the actual</p> <p>22 pop pad that guides them through that conversation.</p> <p>23 <b>Q. Okay, so this is a visual depiction of some of</b></p> <p>24 <b>the questions that are asked on the pop pad?</b></p> <p>25 A. I'd probably describe it slightly different.</p>	<p style="text-align: right;">184</p> <p>1 BY MR. JABBOUR:</p> <p>2 <b>Q. Do you understand my question?</b></p> <p>3 A. If -- can you clarify? I was going to ask if</p> <p>4 you were talking about the document or the flow. So --</p> <p>5 <b>Q. I'm talking about a hypothetical borrower for</b></p> <p>6 <b>which a customer service or a CRS employee is using this</b></p> <p>7 <b>tool. So a borrower calls in, the CRS employee asks if</b></p> <p>8 <b>the borrower is able to bring the account current with</b></p> <p>9 <b>check, credit, or debit. The answer is no. The</b></p> <p>10 <b>employee then asks, can you resume your next scheduled</b></p> <p>11 <b>payment? The answer again is no.</b></p> <p>12 <b>And so then we get to -- we get to the question,</b></p> <p>13 <b>"does the borrower pre-qualify for deferment or</b></p> <p>14 <b>nonverbal forbearance." Do you see that?</b></p> <p>15 A. Yes.</p> <p>16 <b>Q. And have I described the process correctly so</b></p> <p>17 <b>far in this hypothetical?</b></p> <p>18 MR. PAIKIN: Object to form. You have</p> <p>19 mischaracterized her prior testimony.</p> <p>20 THE WITNESS: This is not what the agents would</p> <p>21 work from. They'll have that pop pad that's actually</p> <p>22 driving the conversation, so they would never look at</p> <p>23 this particular flow chart in their normal course of</p> <p>24 their work throughout the day.</p> <p>25 BY MR. JABBOUR:</p>

1 DISTRICT OF COLUMBIA, to wit:

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3 I, Sally Jo Quade, CERT, the officer before whom  
4 the foregoing deposition was taken, do hereby certify  
5 that the within-named witness personally appeared before  
me at the time and place herein set out, and after  
having been duly sworn by me, according to law, was  
examined by counsel.

6

7 I further certify that the examination was  
recorded stenographically by me and this transcript is a  
true record of the proceedings.

8

9 I further certify that I am not of counsel to  
any of the parties, nor an employee of counsel, nor  
related to any of the parties, nor in any way interested  
in the outcome of this action.

10

11 As witness my hand and notarial seal this 22th  
day of June, 2018.

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Sally Jo Quade, CERT  
Notary Public